(2) Funds described in paragraph (1) may not be obligated or expended—

(1) for the development or testing of any antiballistic missile system or component, except for development and testing consistent with the development and testing described in the 1989 SDIO Report; or

(2) for the acquisition of any material or equipment (including any long lead materials, components, piece parts, test equipment, or any modified space launch vehicle) required or to be used for the development or testing of antiballistic missile systems or components, except for material or equipment required for development or testing consistent with the development and testing described in the 1989 SDIO Report.

(3) The limitation in paragraph (2) shall not apply to funds transferred to or for the use of the Strategic Defense Initiative for fiscal year 1990 if the transfer is made in accordance with section 1601 of this Act.

(b) DEFINITION.—As used in this section, the term "1989 SDIO Report" means the report entitled, "1989 Report to Congress on the Strategic Defense Initiative" dated January 19, 1989, prepared by the Strategic Defense Initiative Organization and submitted to certain committees of the Senate and House of Representatives by the Secretary of Defense pursuant to section 231 of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (Public Law 100-180; 101 Stat. 1059; 10 U.S.C. 2431 note).

SEC. 224. REQUIREMENT FOR ANNUAL REPORT ON SDI PROGRAMS

10 USC 2431 note.

(a) REPORT REQUIRED.—Not later than March 15 of each year, the Secretary of Defense shall transmit to Congress a report (in both unclassified and classified form) on the programs and projects that constitute the Strategic Defense Initiative and on any other program or project relating to defense against ballistic missiles.

(b) CONTENT OF REPORT.—Each such report shall include the following:

(3) A statement of the basic strategy for research and development being pursued by the Department of Defense under the Strategic Defense Initiative (SDI), including the relative priority being given, respectively, to the development of near-term deployment options and research on longer-term technological approaches.

(4) A detailed description of each program or project which is included in the Strategic Defense Initiative or which otherwise relates to defense against strategic ballistic missiles, including a technical evaluation of each such program or project and an assessment as to when each can be brought to the stage of full-scale engineering development (assuming funding as requested or programmed).

(5) A clear definition of the objectives of each

planned deployment phase of the Strategic Defense Initiative or defense against strategic ballistic missiles.

(6) An explanation of the relationship between each such phase and each program and project associated with the proposed architecture for that phase.

(7) The status of consultations with other member nations of the North Atlantic Treaty Organization, Japan, and other appropriate allies concerning research being conducted in the Strategic Defense Initiative program.